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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/664,853	09/22/2003	Abraham Blau	1078MOB-US	4306

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EXAMINER

LEVINE, ADAM L

ART UNIT	PAPER NUMBER
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3625

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	02/21/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

**Office Action Summary**

Application No.

10/664,853

Applicant(s)

BLAU, ABRAHAM

Examiner

Adam Levine

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 26 January 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) 16-24 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☐ Claim(s) \_\_\_\_\_ is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 22 September 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☒ None of:
1. ☒ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |  |
|--|--|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input checked="" type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. <u>20070126</u>                             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application  |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                           |

### **DETAILED ACTION**

Applicant's reply of November 26, 2006, was filed in response to the office action dated November 3, 2005. The reply included amendments to claims 1, 14, and 18, and supporting remarks. In reviewing these amendments and remarks it is clear that the independent claims are directed to different inventions and restriction is therefore required in this application. Applicant has agreed to restriction without traverse by way of an authorized email communication dated January 31, 2007 (a copy of email correspondence is included as an attachment to this office action).

#### ***Election/Restrictions***

1. Restriction to one of the following inventions is required under 35 U.S.C. 121:
  - I. Claims 1-15, drawn to a method for exchange of items comprising auctioning or reverse auctioning a digital item, selling by uploading to a requester who becomes an offerer, selection of requester and seller based on bid and ask price and on available upload or download bandwidth of the offerer and requester, classified in class 705, subclass 26.
  - II. Claims 16-21, drawn to a method for searching comprising providing items connected to keywords and lists of keywords, displaying lists of keywords with selectable keywords, and displaying next to each keyword the number of items potentially found if that keyword is selected, with Boolean operators between groups of items, classified in class 707, subclass 3.

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- III. Claims 22-24, drawn to a network of computers, each computer having bandwidth capacity and being able to exchange items with the other computers, that cannot accept an offer or request placed by an offerer or requester with insufficient bandwidth, and a management system that manages personal accounts for the computers and their users, with payments made through those accounts, classified in class 705, subclass 26.

The inventions are distinct, each from the other because of the following reasons:

2. Inventions I and II are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct if they do not overlap in scope and are not obvious variants, and if it is shown that at least one subcombination is separately usable. In the instant case, subcombination I has separate utility such as the exchange of items by auction, uploading to a requester who becomes an offerer, selection of requester and seller based on bid and ask price and on available upload or download bandwidth of the offerer and requester. See MPEP § 806.05(d).

Because these inventions are independent or distinct for the reasons given above and there would be a serious burden on the examiner if restriction is not required because the inventions have acquired a separate status in the art in view of their different classification, restriction for examination purposes as indicated is proper.

3. Inventions I and III are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct if they do not overlap in scope and are not obvious variants, and if it is shown that at least one subcombination

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is separately usable. In the instant case, subcombination I has separate utility such as auctioning or reverse auctioning a digital item and a requester who becomes an offerer. See MPEP § 806.05(d).

Because these inventions are independent or distinct for the reasons given above and there would be a serious burden on the examiner if restriction is not required because the inventions have acquired a separate status in the art due to their recognized divergent subject matter, restriction for examination purposes as indicated is proper.

4. Inventions II and III are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct if they do not overlap in scope and are not obvious variants, and if it is shown that at least one subcombination is separately usable. In the instant case, subcombination III has separate utility such as exchanging items between computers, managing personal accounts, and dividing large items into smaller separately transferable parts. See MPEP § 806.05(d).

Because these inventions are independent or distinct for the reasons given above and there would be a serious burden on the examiner if restriction is not required because the inventions have acquired a separate status in the art in view of their different classification, restriction for examination purposes as indicated is proper.

The examiner has required restriction between subcombinations usable together. Where applicant elects a subcombination and claims thereto are subsequently found allowable, any claim(s) depending from or otherwise requiring all the limitations of the allowable subcombination will be examined for patentability in accordance with 37 CFR

1.104. See MPEP § 821.04(a). Applicant is advised that if any claim presented in a continuation or divisional application is anticipated by, or includes all the limitations of, a claim that is allowable in the present application, such claim may be subject to provisional statutory and/or nonstatutory double patenting rejections over the claims of the instant application.

By way of an authorized email communication from David Klein (Reg. No. 41,118) on January 31, 2007, a provisional election was made without traverse to prosecute the invention of group I, claims 1-15. Affirmation of this election must be made by applicant in replying to this Office action. Claims 16-24 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

### ***Response to Amendment***

Claims 1-15, having been elected without traverse, are pending and considered in this office action.

### ***Pertaining to objection to the drawings in the previous office action***

Figure 4 was objected to because the examiner believed that, although being labeled "operational components of a system," the elements were rather abstract concepts. Upon reviewing applicant's remarks it appears that this was ultimately a matter of semantics because the elements were actually described as "system operational components," and not "operational components of a system." The first suggests components involved in system operation while the second suggests that the

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components themselves are operational. The misunderstanding was clarified and corrected by applicant's remarks and the objection is therefore withdrawn.

*Pertaining to claim objections in the previous office action*

Claim 14 was objected to because it referred to an element that had not been previously introduced in language suggesting that it had been previously introduced. This was corrected by amendment and the objection is withdrawn.

***Response to Arguments***

Applicant's arguments with respect to claims 1-15 have been considered but are moot in view of the new ground(s) of rejection.

In response to applicant's argument that Blau uses a different approach than the Ginter because the prior art is "asymmetrical" and talks about "security and protection" while Blau is "symmetrical" and enables users to exchange items, a recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim. A secure transaction environment and electronic rights protection are not mutually exclusive to competitive pricing dynamic, they are merely additional capabilities of the prior art. In addition, the prior art provides for 'symmetrical' exchange as buyers can become sellers.

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies

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(i.e., competitive, or sophisticated dynamic pricing, symmetrical exchange, etc..) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Examiner cites particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the claims, other passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

### ***Priority***

Applicant's claim for the benefit of a prior-filed application under 35 U.S.C. 119(e) or under 35 U.S.C. 120, 121, or 365(c) is acknowledged. Applicant has not complied with one or more conditions for receiving the benefit of an earlier filing date as follows:

Acknowledgment is made of applicant's claim for foreign priority based on a PCT application filed in Israel on March 19, 2002. It is noted, however, that applicant has not filed a certified copy of the PCT application as required by 35 U.S.C. 119(b). Applicant cannot rely upon the foreign priority papers to overcome a rejection because an English language translation of said papers has not been made of record in accordance with 37 CFR 1.55. See MPEP § 201.15. Since a provisional application could not have been filed more than one year prior to the filing of a nonprovisional application that claims



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benefit to the provisional application, in order to overcome a rejection under 35 U.S.C.

102 there must be at least one intermediate application between the provisional application and the nonprovisional application under examination, e.g., chain of prior applications, in order to overcome the rejection. See MPEP § 201.11.

The later-filed application must be an application for a patent for an invention which is also disclosed in the prior application (the parent or original nonprovisional application or provisional application). The disclosure of the invention in the parent application and in the later-filed application must be sufficient to comply with the requirements of the first paragraph of 35 U.S.C. 112. See *Transco Products, Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 32 USPQ2d 1077 (Fed. Cir. 1994).

The disclosure of the prior-filed application, Application No. 60/277,064, fails to provide adequate support or enablement in the manner provided by the first paragraph of 35 U.S.C. 112 for one or more claims of this application. The US provisional application supports claims 16 and 20 of the originally filed application prior to restriction but does not provide adequate support or enablement for elected claims 1-15.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

**5. Claims 1-15 are rejected under 35 U.S.C. 102(a) as being anticipated by Mikurak (US Patent No. 6,606,744).**

Mikurak teaches all the limitations of Claims 1-15. For example, Mikurak discloses a network based supply chain distribution environment allowing collaborative order management between buyers, vendors, resellers, manufacturers, and other parties, including the distribution of digital items, providing search capabilities, and the secure handling and control of electronically stored items while protecting the rights of participants. Mikurak further discloses:

- auctioning a digital item for sale from an offerer of said digital item who is authorized to sell said digital item: reverse auctioning a digital item for buying by a requester of said digital item (see at least column 121 lines 5-19); transactable only if offerer has a minimum upload communication bandwidth, requester has a minimum download communication bandwidth, minimum bid price, minimum number of requesters, minimum number of offerers, and/or minimum level of rating of offerer and requester wherein level of rating is a function of behavior of user (see at least column 27 lines 38-49, column 40 lines 19-35, column 172 lines 50-56, column 261 lines 21-40. Please note: in any system involving electronic transmission of items, a minimum upload communication bandwidth on one end and a minimum download communication bandwidth on the other is an inherent requirement); finding the best price for the item (see at least column 222 lines 17-31, column 297 lines 28-48), transferring item from the offerer to the requester (see at least figs.66,67,75,96,106-107; column 28 lines 21-27, column

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89 line 9 – column 90 line 28, column 92 lines 11-35, column 102 lines 9-41, column 181 lines 17-50), and transferring money for said item between the requester and the offerer (see at least figs.61,63,75,79,106-107,131, column 47 lines 42-53, column 77 line 54 – column 78 line 9, column 93 line 62 – column 94 line 21, column 102 line 28 - column 103 line 25); paying a royalty to a copyright owner upon selling digital item (see at least column 90 line 60 – column 91 line 14, column 115 lines 35-61, column 116 line 56 – column 117 line 53. Please note: said royalty inherently comprises at least one of a percentage of the price, a fixed value, a value dependent on the users characteristics, and a value dependent on the item characteristics); presenting names of digital items before making them available for transfer between users and entering a request in advance for a digital item and transferring it when it becomes available, entering a request in advance for a digital item and offering a price to another user who makes said item available (see at least figs.55-56,58-65,132-133; column 24 lines 8-25,40-49; column 25 lines 19-37, column 96 lines 20-54); permitting a user to choose between auctioning an item for sale and reverse auctioning an item to buy (see at least column 121 lines 5-19. Please note: where user registers a request for an item, leading to offered terms by parties that can provide the item, this is a reverse auction).

- selling digital item by uploading to a requester: (see at least column 28 lines 36-46, column 97 lines 26-39, column 191 line 7-column 193 line 5. Downloading and passing the item to additional parties inherently includes uploading).

- requester, upon purchasing and downloading digital item, is authorized to become another offerer: (see at least column 122 line 29- column 123 line 12, column 279 line 51 – column 280 line 29. Please note: Where a provider buys an item from a distributor that purchases the item from a supplier, or vice versa, the distributor is a requestor that is authorized to become another offerer. The provider is also a requestor authorized to become an offerer when it resells the item to the end user or customer).
- capability of offerer to transfer and sell is a function of at least one of a download capability and an upload capability of offerer: (see at least column 279 line 51 – column 280 line 29. Please note: in any system involving electronic transmission of items, the capability of the parties to transfer and sell is inherently a function of the parties' download and upload capabilities.); before selling item, checking bandwidth of offerer and requester, selection of offerer and requester determined by bid price, ask price, and available bandwidth of offerer and requester (see at least column 293 line 44 – column 294 line 9).
- automatically downloading and uploading digital items in accordance with criteria that improve profits of a user: (see at least column 247 lines 47-54, column 248 lines 10-19).
- providing user accounts for transfer of money from one account to another account: (see at least figs.26,142-142; column 47 lines 54-63, column 93 line 62 – column 94 line 21, column 101 lines 16-31, column 103 lines 20-25, column 272 line 47 – column 273 line 9).

- dividing users with a minimum amount of free bandwidth into a list of requesters and a list of offerers: selecting a pair of users comprising a requester and an offerer in accordance with a selection criterion, wherein criterion comprises at least one of an availability of bandwidth, a bid price, and an ask price, and transferring a digital item between the selected requester and the selected offerer (see at least column 283 line 48 – column 284 line 54, column 292 lines 5-22).  
Please note: sorting said lists in accordance with a sorting criterion and selecting the said pair as the two first users from the sorted lists the same as selecting a pair of users in accordance with a selection criterion); sorting criterion comprises at least one of a request price, an offer price, time of requesting, time of offering, and proximity of the users in a plurality of the pairs (see at least column 283 line 48 – column 284 line 54, column 292 lines 5-22).
- searching for said digital item prior to requesting or offering said digital item:  
displaying a plurality of lists of keywords and an amount of items that would be found if a keyword from one of said lists were combined with the selected keyword from another of said lists, keywords combinable in a Boolean expression (see at least figs.57-59, column 98 line 54 – column 99 line 60, column 128 line 62 – column 129 line 5, column 159 lines 8-20, column 181 line 51 – column 182 line 10).

***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

This application contains claims 16-24 drawn to inventions nonelected without traverse. A complete reply to the final rejection must include cancellation of nonelected claims or other appropriate action (37 CFR 1.144) See MPEP § 821.01.

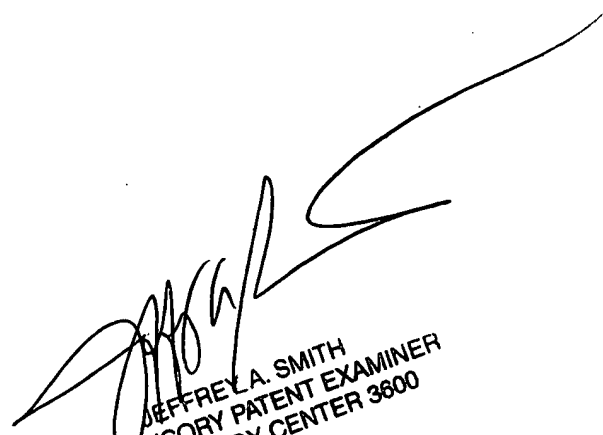
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Adam Levine whose telephone number is 571.272.8122. The examiner can normally be reached on M-F, 8:30-5:00 Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571.272.6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Adam Levine  
Patent Examiner  
February 12, 2007



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